

Dear Gallant Commission,

I am a Canadian IT software manager with over 25 years of experience in the SAP ecosystem. I have delivered more than fifty SAP projects across various industries and roles—consultant, independent advisor, system integrator (SI) leader, and senior delivery manager at SAP itself. My background includes managing SAP delivery and sustainment practices, overseeing sales and delivery operations, and leading project recovery efforts when large-scale SAP implementations have gone off the rails.

Over the years, I have been parachuted into approximately seven major project recovery missions. My mandate in each case was to replan the project, resourcing changes, restore structure and governance, and guide delivery teams back toward success. While not all the programs I've worked on matched the scale of SAAQ's modernization effort, many shared the same structural weaknesses, governance gaps, and organizational dynamics. Having followed much of the Gallant Commission's proceedings, I believe some testimonies risk blurring the core lessons that could truly help prevent similar issues in future large-scale transformations.

See attachments for details

Hopefully this is helpful

---

## **1. The Nature of Large and Complex SAP Transformations**

When replacing legacy systems—especially those that have evolved for decades—the risk level rises dramatically. The older and more fragmented the systems, the harder it becomes to establish accurate documentation, define requirements, and estimate effort. Often, much of the institutional knowledge has disappeared. The people who truly understand how the systems work are either retired or moved on, and even those who remain have expertise limited to small functional areas.

This scarcity of knowledge creates cascading impacts:

- Requirements are slow to define and clarify.
- Misunderstandings multiply between customer and system integrator.
- Rework becomes inevitable.
- Timelines stretch and costs escalate.

In such environments, every assumption built into an estimate compounds uncertainty. Estimating bookends become so wide that even the most experienced teams can't fully control outcomes.

Another factor is scale: the number of systems replaced, the size of the user community, and the diversity of business processes all add complexity. For a public-sector transformation

like SAAQ's, the impact is not limited to IT—it touches nearly every business process, citizen interaction, and external partner.

A particular area of confusion in the hearings was around development effort (wRICEFs). Some witnesses implied that the amount of custom development suggested SAP might have been the wrong choice. I strongly disagree. Having worked on both pure custom development and ERP implementations, I can say with confidence that a from-scratch solution would have required far more development, testing, and long-term risk. SAP provides a proven foundation; even when enhancements are numerous, they remain a fraction of what full custom development would entail. Note that the wRICEF (excluding enhancements) are most likely required for a development project, enhancements in the wRICEF world are related to SAP. What SAAQ now has—despite challenges—is an industry-standard, future-ready platform instead of a patchwork of third-party tools and legacy code.

---

## **2. Deployment Strategy: “Big Bang” vs. Phased**

SAAQ adopted a three-phase approach: Finance, Core Processes, and Analytics. On paper, as noted by some testimonies, this looks phased—but in reality, the second phase (Core Processes) was so large that it effectively made the program a “Big Bang.” Big Bang go-lives are inherently risky and should be reserved for cases where further phasing is nearly impossible.

In a legacy environment as intertwined as SAAQ's, further segmentation may not have been feasible. It is simplistic for commentators to claim that a more phased approach would have solved everything without understanding the dependencies and integration points. Even phased programs experience overruns and issues. The decision to go Big Bang should always be debated thoroughly—but it is not automatically the wrong one and for someone to have a legitimate opinion details of how the decision was made and the challenges it considered need to be analyzed.

---

## **3. Methodology: Agile, Waterfall, or Hybrid**

No project of this scale is purely agile or purely waterfall. In practice, large ERP programs are hybrid by necessity. Certain elements—such as UI design or minor configuration—can iterate in agile cycles. Others—like architecture, data migration, or integrations—demand upfront definition but can be segment and parceled to run multiple iterations.

At the start of any SAP transformation, foundational design decisions must be made early:

system architecture, data strategy, deployment roadmap, and team resourcing. Without that structure, agile alone cannot function effectively. In my opinion, methodology debates are often overstated. Methodology was not the root cause of SAAQ's challenges; **governance, communication, and risk management were.**

---

#### 4. Cost Overruns and Estimation Challenges

Cost overruns in large projects are not unusual. The reasons are both structural and contractual.

a. Procurement incentives:

Public procurement heavily favors the lowest bid. Vendors know this and often price low to win, assuming change orders will follow once unknowns surface. Since contracts are signed before requirements are fully known, both parties are entering into an exercise of controlled assumptions. The inevitable result is change, rework, and administrative burden.

b. The snowball of administration:

As costs and disputes rise, both sides add layers of governance, reporting, and tracking to protect themselves. Project management overhead, which typically sits around 15–18% of total cost, can balloon past 30%. Decision-making slows, productivity drops, and every action gets tied up in paperwork.

c. Assumptions and unknowns:

Data migration is one of the largest unknowns in any transformation. Legacy data is often dirty, inconsistent, or incomplete. Mapping it to a new design is complex, especially when that design is still evolving during contracting. Each assumption about data quality, completeness, or mapping accuracy represents risk. Multiply that across thousands of tables and interfaces, and overruns become inevitable. This is only one example of unknowns and assumptions used when contracting, there are many more such details of the number of systems being replaced and how they're integrated, all the business rules to be implemented, etc.

d. Replanning:

Once unknowns turn into facts, plans must be revised. Yet replanning is politically difficult—it implies slowing down and spending more. Many organizations delay it too long, choosing instead to push forward on a flawed plan, which ultimately increases both delay and cost.

---

#### 5. Go-Live Fiasco

The February 2023 go-live decision stands as one of the most visible failures. The system was clearly not ready. Development continued into late stages, testing was incomplete, defects remained open, and key cycles—such as performance testing—were executed far too late. The data pointed clearly to a NO-GO, yet the program proceeded.

Why? Pressure. According to Mr. McKensie who manages the SAAQ outlets, he told the project that if they could not meet Feb 20<sup>th</sup> they would need to delay a year. The project was already late, costs were high, and leaders feared that delaying again would mean another year of headlines, budget fights, and reputational damage. In that climate, it became easier to rationalize a “Go” decision than to face another year of cost. This is a classic symptom of governance fatigue: when reporting no longer reflects reality, decision-makers lose their ability to act on facts.

---

## 6. Reporting and Transparency Failures

Closely related to the go-live issue is how overruns were reported—or rather, underreported. In my view, and I believe EY referred to this, the financial and delivery risks were buried in optimistic dashboards. Reports emphasized positive progress while hiding the red flags in fine print. This practice, whether intentional or not, prevents executives from making informed decisions.

In my delivery experience, upward reporting should be problem-focused. Senior leadership needs to see risk, not reassurance. When reporting becomes a comfort exercise instead of a decision-support tool, oversight collapses. This was, in my opinion, one of the two major failures of the project—the other being the go-live decision itself and the reporting of the risks with the Feb 20<sup>th</sup> go-live date.

---

## 7. Governance and Human Dynamics

Much has been made of decisions to bring in trusted individuals outside of standard government hiring channels. While this may appear irregular, in large SAP programs it is not unusual. Leaders often rely on a handful of experts they trust implicitly—people who know their working style, communicate quickly, and have proven their judgment under pressure. These are not symptoms of corruption; they are pragmatic management choices in complex delivery environments. The alternative—rotating in unknown resources through slow bureaucratic processes—can cripple project momentum.

What matters is transparency and accountability, not the rigid enforcement of form over

function. I've worked in public and private programs alike, and success always hinges on having a core leadership team that communicates seamlessly and shares trust. The best way to obtain this is by bringing on people you've worked with before, which I believe that's what Karl Malenfant was doing with some of the resources he helped push on the project.

---

## 8. The Real Lessons

The Gallant Commission has heard many opinions, but in my professional view, two issues stand above all others:

1. Inaccurate status reporting—particularly around readiness and financials.
2. Governance paralysis—the inability to act decisively on bad news due to pressure, fear, or misaligned incentives.

Everything else—contracting, phasing, methodology—is secondary. These projects will always be complex and expensive; what determines success is whether leadership sees reality clearly enough to steer before impact.

To prevent recurrence, public organizations must modernize their contracting models. Fixed-price approaches built on partial requirements create adversarial relationships. True partnership contracts—where both sides share risk and reward—encourage transparency. But this requires early investment in discovery: funding teams to eliminate assumptions before locking scope and price. Governments rarely allow this because budgets are released too late, yet that is precisely where reform is needed.

---

## 9. Conclusion

The SAAQ project did not fail because of SAP, methodology, or even cost alone. It faltered because information was distorted, governance weakened, and decision-making succumbed to schedule pressure. These are human, not technical, failures—and they are entirely preventable.

As someone who has witnessed and recovered several large SAP projects, my hope is that this Commission's findings will move beyond blame toward structural reform—particularly in how complex technology programs are planned, governed, and reported. With proper transparency, empowered governance, and realistic contracting, government can modernize without repeating SAAQ's painful lessons.

Respectfully submitted, Anonymous.

